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ADMINISTRATIVE AND FINANCIAL MATTERS

PROGRAMME BUDGET FOR THE BIENNIUM 2002-2003

Proposed programme budget for the Convention

Note by the Executive Secretary

Addendum

ACTIVITIES FOR WHICH FUNDS ARE SOUGHT FROM THE TRUST FUND FOR SUPPLEMENTARY ACTIVITIES IN 2002-2003

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I. INTRODUCTION

A. Scope of the note

1. This note constitutes a second addendum to document FCCC/SBI/2001/17 containing the proposed programme budget, and lists activities envisaged in the biennium 2002-2003 for which contributions to the Trust Fund for Supplementary Activities are sought. The Trust Fund for Supplementary Activities was established for additional activities under the Convention for which there is no provision in the core budget.[1]

2. The activities enumerated in this note have been divided into three parts. Part II of this note contains a list of workshops mandated by Parties to take place in specified periods of time in order to advance work on various areas as requested by decisions of the COP or conclusions of its subsidiary bodies. Part III describes additional activities to be undertaken by the secretariat in order to implement fully and more effectively the approved work programme for the biennium. Part IV relates to "prompt start" activities under the clean development mechanism (CDM). This note should be read in conjunction with documents FCCC/SBI/2001/17 and Add.1, which present the revised draft programme budget for the biennium.

3. Cost estimates for holding the mandated workshops are provided in table 1 below, using standard costs for travel and DSA per participant and average cost for logistics at each workshop. For other activities, the related direct costs (excluding programme support costs (overheads) and the working capital reserve) are indicated under the relevant activity. A summary of the estimated costs for the biennium, including overheads and the working capital reserve is presented in the annex to this note.

B. Action by the Subsidiary Body for Implementation (SBI)

4. The SBI may wish to take note of the funding estimates for the Trust Fund for Supplementary Activities for the biennium 2002-2003 amounting to US$ 7.3 million and the preliminary estimate for the "prompt start" of the CDM in the order of US$ 6.0 to 6.5 million (including overheads and the working capital reserve), and to invite Parties to make contributions to the Fund.

II. MANDATED WORKSHOPS

5. A number of workshops have been mandated by Parties for the biennium 2002-2003 in decisions adopted at COP 5 and in the draft decisions prepared at the second part of COP 6 for adoption at COP 7. It is assumed that COP 7 will adopt these draft decisions and that the following workshops will be organized during the biennium.

A. Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol

6. Two workshops on methodologies for adjustments will be organized as requested in draft decision -/CP.6 entitled "Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol" (see FCCC/CP/2000/5/Add.3 (vol. III), section I, B).

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[1] See FCCC/CP/1995/7/Add.1, decision 15/CP.1, annex, paragraph 16.

B. Development and transfer of technologies

7. Two workshops on transfer of technology will be organized. One will identify methodologies needed to undertake technology needs assessments and will report its findings to the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its sixteenth session (see paragraph 7 of the annex to the draft decision on the development and transfer of technologies in document FCCC/CP/2001/5/Add.1). The second workshop is on technology information, including options for the establishment of an information clearing house and enhancement of information centres and networks (see paragraph 10 (c) of the annex to the draft decision referred to above).

C. Implementation of Article 4, paragraphs 8 and 9, of the Convention

8. Three regional workshops will be organized in order to facilitate information exchange and integrated assessments, including for adaptation (see paragraph 36 of the draft decision on the implementation of Article 4, paragraphs 8 and 9, of the Convention contained in document FCCC/CP/2001/5/Add.1). In addition, five other workshops will be held on the following subjects: modelling activities to assess adverse effects; insurance and risk assessment in the context of climate change and extreme weather events; insurance-related actions; synergies and joint action with other multilateral environmental conventions; and economic diversification (see paragraphs 37-41 of the draft decision referred to above).

D. Implementation of Article 6 of the Convention

9. One workshop will be organized as recommended by the SBSTA at its fourteenth session to share experiences on the implementation of Article 6 of the Convention, the lessons learned and best practices (see FCCC/SBSTA/2001/2, para. 27 (b)).

E. Support for activities implemented jointly under the pilot phase

10. A workshop on the revised uniform reporting format will be held prior to the sixteenth sessions of the subsidiary bodies (see the draft decision on activities implemented jointly under the pilot phase contained in document FCCC/CP/2001/5/Add.1).

F. Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE)

11. Two workshops a year are expected to be organized for the CGE. At its fifth session, the COP decided that the secretariat would coordinate workshops of the Group and facilitate the preparation of a report on each workshop by the experts. These reports will be made available to Parties (see decision 8/CP.5).[2] It is expected that this mandate will be extended for the biennium 2002-2003.

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[2] FCCC/CP/1999/6/Add.1.

Table 1. Cost estimates for holding the workshops*
(in United States dollars)

Workshop	Number of workshops in the biennium	Number of funded participants per workshop	Total estimated costs
Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol	2	15	**105 000**
Methodologies to undertake technology needs assessment	1	35	**132 500**
Technology information, including clearing house and information centres	1	20	**80 000**
Implementation of Article 4.8 and 4.9	8	35	**1 060 000**
Implementation of Article 6	1	40	**150 000**
Support for AIJ under the pilot phase	1	130	**200 000**
CGE on national communications from non-Annex I Parties	4	40	**600 000**
Total	**18**	**334**	**2 327 500**

* *Costs are based on the assumption that the travel and DSA of each participant will amount to US$ 3,500 and that the average logistical expenses per workshop will be US$ 10,000. In the case of the AIJ workshop only DSA will be required, as it will take place in conjunction with a session of the subsidiary bodies.*

III. ADDITIONAL ACTIVITIES TO BE UNDERTAKEN BY THE SECRETARIAT

12. The following activities will be undertaken by the secretariat to implement fully and more effectively the approved programme of work for the biennium 2002-2003.

A. Greenhouse gas inventories and land use, land-use change and forestry

13. A contingency budget for additional work on greenhouse gas (GHG) inventories and land use, land-use change and forestry (LULUCF) was included in the initial proposed programme budget for 2002-2003. It was decided to exclude that contingency from the core budget, on the understanding that supplementary funds would be sought for these activities. The additional activities will enhance work on inventories and LULUCF under the Convention.

14. One professional post at the P-4 level would be added to the Methods/MIS sub-programme to support the development of methods and guidelines under the Convention, including coordination with the Intergovernmental Panel on Climate Change (IPCC) and other international organizations, and to compile, synthesize and review LULUCF data submitted by

Parties. An additional P-3 post will be required to process, integrate and analyse GHG inventory data and to ensure that data from all Parties are stored in the database. A part-time General Service (GS) staff member will also be needed to support these two activities. Table 2 below provides cost estimates for these activities.

Table 2. Cost estimates for activities related to additional work on GHG inventories and LULUCF
(in United States dollars)

Description	Cost per year	Total
One P-4 post for 24 months	115 500	231 000
One P-3 post for 18 months	96 100	144 100
GS post and non-staff costs		67 400
Total		**442 500**

B. Training of experts to review GHG inventories

15. The Conference of the Parties at its fifth session decided to initiate the annual individual review of inventories for all Annex I Parties in 2003 (see decision 6/CP.5[3]). This decision may result in about 40 national reviews a year. To ensure an efficient and cost-effective review process, it is necessary for review experts to receive appropriate training to enhance their expertise.

16. The funds, estimated in table 3 below, will be used for the travel and daily subsistence allowances of experts, for logistical expenses and for the payment of consultants to provide training as appropriate. In-kind support by Parties may be needed in order to increase the efficiency of the training courses and to reduce their cost.

Table 3. Cost estimates for activities related to training of experts to review GHG inventories
(in United States dollars)

Description	Cost per person	Total
Travel and DSA of 60 experts	3 500	210 000
Consultants to prepare and conduct the training (5 person-months)	10 000	50 000
Travel and DSA of consultants	4 000	20 000
Secretarial/administrative support and logistics		20 000
Total		**300 000**

[3] FCCC/CP/1999/6/Add.1.

C. Establishing a technology information system/clearing house

17. Additional resources are needed to establish a technology information system/clearing house. These resources, summarized in table 4 below, will be needed to initiate action, on the understanding that more funds would be requested to maintain the system.

Table 4. Cost estimates for activities related to establishing a technology information system/clearing house

(in United States dollars)

Description	Cost per month	Total cost
Consultants – establishment and updating databases (12 person/months)	7 500	90 000
Consultants – development of technology information (8 person/months)	7 500	60 000
Travel and DSA of consultants		30 000
Equipment		20 000
Total		**200 000**

D. Registry system and transaction log

18. If Parties wish to establish the structure for registries and the operation of the transaction log in support of the operations under Articles 6, 12 and 17 of the Kyoto Protocol, the design of technical specifications will be required. A meeting of experts would be convened to elaborate, as a first step, the technical standards (three meetings per year with 20 participants, partially funded). Based on their input, the development work up to the stage of making the transaction log and the CDM registry fully operational would be performed through contractors to ensure system security and full functioning 24 hours per day. One P-2 (starting January 2003) and one GS staff (starting July 2002) would be required to provide backstopping in support of the experts. Additional costs for ad hoc consultants, staff travel and overtime would also be required. Table 5 below summarizes the above-mentioned cost estimates.

Table 5. Cost estimates for activities related to establishing the registry system and transaction log

(in United States dollars)

Description	Total cost
Travel of 20 participants	200 000
Establishment of the transaction log system	700 000
Staff (P-2 starting January 2003)	77 800
Staff (GS starting July 2002)	82 200
Consultants	50 000
Travel of staff	30 000
Overtime	10 000
Total	**1 150 000**

E. In-depth reviews of national communications from Parties included in Annex I to the Convention

19. Additional staff (one P-3 Programme Officer and one GS) will be required to complete the in-depth reviews of national communications from Parties included in Annex I to the Convention (Annex I Parties) in time and to prepare the compilation and synthesis report. These activities are scheduled for 2002-2003 and their temporary nature does not justify establishing posts funded from the core budget. Table 6 below presents cost estimates for additional staff.

Table 6. Cost estimates for additional staff to support in-depth reviews of national communications from Annex I Parties
(in United States dollars)

Description	Cost per year	Total cost
One P-3 post for 21 months*	96 100	168 175
One GS post for 21 months*	55 100	96 425
Total		**264 600**

* *It is assumed that the recruitment process will take about three months.*

F. Information support

20. Adequate information support is required to strengthen the secretariat's information services, to maintain and develop information services to the press and media as well as to the public and to maintain databases.

21. In addition, it is planned to broadcast sessions of the COP and the subsidiary bodies internally on the intranet for the secretariat and externally on the Internet for the public. This will also provide a permanent record of the proceedings, reduce costs of closed-circuit meetings and lessen the burden of responding to external queries. The cost is estimated at US$ 100,000 per session, assuming that there will be two sessions per year. Table 7 below summarizes the total cost estimates.

Table 7. Cost estimates for information support

(in United States dollars)

Description	Cost per year	Total cost
Information Officer – database (one P-2 post, starting January 2002)	77 800	155 600
Web casting – two sessions a year	200 000	400 000
Total		**555 600**

G. Additional requirements for miscellaneous activities

22. In addition, an estimated amount in the order of US$ 1 million will be required to meet the cost of activities that may arise from the evolving demands of the Convention bodies in the following areas: transfer of technology; adaptation measures; least developed countries; impacts of response measures; organizational meetings of the executive board of the CDM; implementation of Article 6 of the Convention, and information support.

IV. "PROMPT START" OF THE CLEAN DEVELOPMENT MECHANISM

23. In addition to the staff of the Cooperative Mechanisms Programme, the amount of US$ 445,000, which includes funding for three posts (two as of 2003 and one as of 2002), has been allocated in the core budget as contingency for the "prompt start" of the CDM.

24. The "prompt start" of the CDM would begin with the inaugural meeting of the CDM executive board. This meeting would address procedural matters, such as the election of the chairperson and vice-chairperson, the initial consideration of the draft rules of procedure and the scheduling of the second meeting of the executive board (tentatively planned for January 2002). The second meeting would consider and adopt, if appropriate, the draft work programme for the implementation of the prompt start of the CDM in the period 2002-2003.

25. Preliminary estimates for work programme activities are in the order of US$ 4.5 to 5 million, excluding overheads and the working capital reserve. The bulk of this amount would be needed to cover methodological and technical support to the executive board, involving specialized panel meetings, as well as meetings of the board itself. The estimates also include an information and networking component and provision for additional staff to support the "prompt start" activities.

Annex

SUMMARY OF THE RESOURCES SOUGHT FROM THE TRUST FUND FOR SUPPLEMENTARY ACTIVITIES

(in United States dollars)

I. Mandated workshops	
Good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol	105 000
Methodologies needed to undertake technology needs assessments, *and* Technology information, including a clearing house and information centres	212 500
Implementation of Article 4.8 and 4.9	1 060 000
Implementation of Article 6	150 000
Support for AIJ under the pilot phase	200 000
CGE on national communications from non-Annex I Parties	600 000
Sub-total	**2 327 500**
II. Additional activities to be undertaken by the secretariat	
GHG inventories and LULUCF	442 500
Training of experts to review GHG inventories	300 000
Establishing a technology information system/clearing house	200 000
Registry system and transaction log	1 150 000
In-depth review of national communications from Annex I Parties	264 600
Information support	555 600
Additional requirements for miscellaneous activities	1 000 000
Sub-total	**3 912 700**
Total direct expenditures (I + II)	**6 240 200**
Programme support costs (13%)	**811 226**
Working capital reserve*	**247 177**
GRAND TOTAL	**7 298 603**

* *The working capital reserve represents 15 per cent of one year's average expenditure, less the amount that has been accumulated so far for the same purpose.*

Note: In addition, resources for the CDM "prompt start" will be sought. Depending on the work programme to be elaborated by the CDM executive board, the total amount of resources is estimated to be in the order of US$ 6.0 to 6.5 million, including overheads and the working capital reserve.

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